



Energy for  
generations

# ESB Group

Safety, Sustainability & Culture  
Committee

Terms of Reference

Approved: February 2024

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## **1. PURPOSE**

The Safety, Sustainability & Culture (SSC) Committee (the “Committee”) assists the Board in fulfilling its oversight responsibilities in respect of reviewing the strategies, policies, programmes, risks, targets, and performance of the Company and, where appropriate, of its suppliers and contractors in relation to safety, health and wellbeing, the environment and sustainability.

The Committee also supports the Board in providing oversight of culture, employee engagement and corporate social responsibility including respect for human rights.

In discharging its responsibilities, the Committee shall consider the Company’s:

- strategy, purpose and values
- corporate governance requirements
- attitude and appetite for risk
- commitment to make a positive contribution to the communities which we serve.

## **2. MEMBERSHIP**

The Board shall appoint the members of the Committee on the recommendation of the Chairman of the Board. The Committee shall consist of not less than three members. A quorum shall be two members.

## **3. SECRETARY**

The Secretary of the Company shall be the Secretary of the Committee. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

## **4. FREQUENCY OF MEETINGS/NOTICE**

- 4.1** Meetings shall be held not less than four times a year unless otherwise agreed by the Committee.
- 4.2** The meeting agenda shall be forwarded to each member of the Committee and any other person required to attend no later than one week prior to the date of the meeting. Supporting papers (and presentations if required) shall be sent to Committee members at the same time as the agenda.
- 4.3** A special or emergency meeting of the Committee can be convened at short notice at the request of the Chair of the Committee.

## **5. AUTHORITY**

- 5.1** The Committee’s authorities are as set out in these Terms of Reference in addition to such other authority as is from time to time delegated to it by the Board.

- 5.2 The Committee is authorised by the Board to seek any information it requires from any employee of the Company or its subsidiaries in order to perform its duties.
- 5.3 The Committee can obtain, at the Company's expense, outside legal or other professional advice on any matter within its Terms of Reference.

## 6. DUTIES

Specifically, the Committee shall have the following responsibilities: -

### 6.1 Safety, Health & Wellbeing (SH&W)

- 6.1.1 Review and challenge safety, health and wellbeing strategies and plans and provide overall strategic guidance in respect of SH&W programmes;
- 6.1.2 Support the Board in carrying out its risk responsibilities by ensuring that a robust and effective process is in place to manage and report on risks in relation to health, safety and wellbeing;
- 6.1.3 Review and approve Group Policy on Safety, Health & Wellbeing;
- 6.1.4 Receive a report on significant forthcoming legislation and other external developments (e.g., Codes of Practice) relating to safety, health and wellbeing matters likely to affect the Group;
- 6.1.5 Review and seek assurance on the adequacy of compliance monitoring frameworks for safety, health and wellbeing;
- 6.1.6 Receive reports on and consider on a quarterly basis, the health, safety and wellbeing performance of the Group, including key performance leading and lagging indicators, and report to the Board on any significant trends or developments;
- 6.1.7 Satisfy itself that appropriate and robust processes are in place to carry out safety investigations by competent personnel. Review the outcome of significant safety investigations and ensure that recommendations arising are fully addressed by management;
- 6.1.8 Seek assurance from management that the level of resourcing and competence applied to the management of safety, health and wellbeing is appropriate to support a culture of continuous improvement across the Group.

### 6.2 Sustainability & the Environment

- 6.2.1 Review and challenge the Group's sustainability strategy, targets, risk and governance structures;
- 6.2.2 Receive reports on and monitor Key Sustainability and Environmental Performance Indicators for the Group;

- 6.2.3 Review and approve the Group Environment and Sustainability Policy;
- 6.2.4 Support the Board in carrying out its risk responsibilities by ensuring that a robust and effective process is in place to manage and report on climate and environment risks;
- 6.2.5 Review and seek assurance as to the adequacy of compliance monitoring frameworks for ESG obligations;
- 6.2.6 Review the Annual Sustainability Report and transparency of information provided in respect of the Company's sustainability practices and outcomes;
- 6.2.7 Receive a report on significant forthcoming legislation and other external developments (e.g., CSRD, EU Taxonomy) relating to sustainability and the environment and seek assurance as regards the adequacy of plans to address compliance;
- 6.2.8 Satisfy itself that appropriate and robust processes are in place to carry out environmental investigations, by competent personnel. Review the outcome of serious incident investigations and monitor implementation of key recommendations arising.

### **6.3 Culture & People**

- 6.3.1 Review and challenge ESB's People Strategy and underlying plans to ensure the culture and capability to deliver ESB strategy is in place;
- 6.3.2 Support the Board in assessing alignment of culture with Group strategy. Consider the embedding of purpose, values and behaviours. A particular focus for the Committee is to monitor the embedding of a positive health and safety and sustainability culture;
- 6.3.3 Review and recommend "Our Code", ESB's Code of Ethics, to the Board for approval. Monitor embedding of Our Code across the business;
- 6.3.4 Monitor ESB's culture framework including evidence based culture priorities, measurement of culture maturity and management of cultural risk;
- 6.3.4 Review the results/feedback from employee engagement surveys, actions arising. Oversee targets to drive continuous improvement in employee engagement;
- 6.3.5 Monitor ESB's commitment to universal human rights principles and declarations. Review and approve the Group's Human Rights Policies/Modern Slavery Statement and challenge practices for consistency with company purpose and values;
- 6.3.6 Review and challenge the approach to growing a diverse, equitable and inclusive culture;

- 6.3.7 Review corporate social responsibility (CSR) strategy, policies and initiatives for alignment with Group Strategy.

## **6.4 General**

- 6.4.1 Be consulted on the development of the Group Internal Audit Workplan and review management's implementation of internal audit recommendations in areas which come within the responsibility of the Committee;
- 6.4.2 Receive reports on and report to the Board on significant pending or threatened significant legal actions including prosecutions with respect to safety, health and the environment;

## **7 CHAIR OF THE COMMITTEE**

The Chair of the Committee shall, after the Chairman of the Board and Chief Executive, be notified of: -

- any fatalities/serious injuries occurring in connection with or as a result of the company's operations;
- any serious environmental incidents occurring in connection with or as a result of the company's operations.

The Chair will be kept informed by the Chief Executive (or the relevant Executive Director) of any investigation/steps being undertaken.

## **8 OTHER**

The Committee shall:

- 8.1 be provided with appropriate and timely training both in the form of an induction programme for new members and on an ongoing basis for all members;
- 8.2 make periodic visits to work locations in order to become familiar with the nature of the operations, and to review relevant objectives, procedures and performance with respect to Safety, Sustainability and Culture responsibilities;
- 8.3 at least once a year, in the absence of management, review its own performance;
- 8.4 review its Terms of Reference annually and recommend any changes it considers necessary to the Board for approval; and
- 8.5 deal with any matters which the Board may refer to the Committee.

## **9 REPORTING**

- 9.1 The Chair of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall submit an annual report on its activities to the Board, presenting the Committee's opinion on the workplan outturn and achievement of KPI's.
- 9.3 The Company Secretary shall prepare a Committee Work Plan annually reflecting the Committees priorities for the year ahead and to ensure that the Committee has adequate coverage of its oversight responsibilities as set out in this Terms of Reference.
- 9.4 The Committee Chair should meet regularly with the Chair of the Audit and Risk Committee to discuss matters of mutual interest, risks it has considered and to receive updates on any disclosures or investigations relating to safety, health or the environment.
- 9.5 The Committee shall periodically review ongoing reporting provided to the Committee to ensure continued relevance and to confirm reporting frequency and detail are appropriate and support the Committee with its oversight responsibilities.